

34:11-4.4

LEGISLATIVE HISTORY CHECKLIST  
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NJSA: 34:11-4.4

(Political action  
committees--contributions--payroll  
deduction)

LAWS OF: 1991

CHAPTER: 190

Bill No: S895

Sponsor(s): Cowan and others

Date Introduced: Pre-filed

Committee: Assembly: -----

Senate: Labor

Amended during passage: Yes      Amendments denoted by asterisks  
according to Governor's  
recommendations

Date of Passage: Assembly: May 21, 1991      Re-enacted 6-27-91

Senate: February 14, 1991 Re-enacted 6-24-91

Date of Approval: July 3, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: ~~No~~ Yes

Message on signing: Yes

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

Assembly  
Library

## P.L.1991, CHAPTER 190, approved July 3, 1991

## 1990 Senate No. 895 (First Reprint)

1 AN ACT concerning employee contributions to political action  
2 committees and amending and supplementing<sup>1</sup> P.L.1965,  
3 c.173.

4  
5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. Section 4 of P.L.1965, c.173 (C.34:11-4.4) is amended to  
8 read as follows:

9 4. No employer may withhold or divert any portion of an  
10 employee's wages unless:

11 a. The employer is required or empowered to do so by New  
12 Jersey or United States law; or

13 b. The amounts withheld or diverted are for:

14 (1) Contributions authorized either in writing by employees, or  
15 under a collective bargaining agreement, to employee welfare,  
16 insurance, hospitalization, medical or surgical or both, pension,  
17 retirement, and profit-sharing plans, and to plans establishing  
18 individual retirement annuities on a group or individual basis, as  
19 defined by section 408 (b) of the federal Internal Revenue Code  
20 of 1954 as amended (26 U.S.C.§408(b)), or individual retirement  
21 accounts at any State or federally chartered bank, savings bank,  
22 or savings and loan association, as defined by section 408 (a) of  
23 the federal Internal Revenue Code of 1954, as amended  
24 (26 U.S.C.§408(a)), for the employee, his spouse or both.

25 (2) Contributions authorized either in writing by employees,  
26 or under a collective bargaining agreement, for payment into  
27 company-operated thrift plans; or security option or security  
28 purchase plans to buy securities of the employing corporation, an  
29 affiliated corporation, or other corporations at market price or  
30 less, provided such securities are listed on a stock exchange or  
31 are marketable over the counter.

32 (3) Payments authorized by employees for payment into  
33 employee personal savings accounts, such as payments to a credit  
34 union, savings fund society, savings and loan or building and loan  
35 association; and payments to banks for Christmas, vacation, or  
36 other savings funds; provided all such deductions are approved by  
37 the employer.

38 (4) Payments for company products purchased in accordance  
39 with a periodic payment schedule contained in the original  
40 purchase agreement; payments for employer loans to employees,  
41 in accordance with a periodic payment schedule contained in the  
42 original loan agreement; payments for safety equipment;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate amendments adopted in accordance with Governor's  
recommendations June 13, 1991.

1 payments for the purchase of United States Government bonds;  
2 and payments to correct payroll errors; provided all such  
3 deductions are approved by the employer.

4 (8) Contributions authorized by employees for organized and  
5 generally recognized charities; provided the deductions for such  
6 contributions are approved by the employer.

7 (6) Payments authorized by employees or their collective  
8 bargaining agents for the rental of work clothing or uniforms or  
9 for the laundering or dry cleaning of work clothing or uniforms;  
10 provided the deductions for such payments are approved by the  
11 employer.

12 (7) Labor organization dues and initiation fees, and such other  
13 labor organization charges permitted by law.

14 (8) Contributions authorized in writing by employees, pursuant  
15 to a collective bargaining agreement, to a political committee,  
16 continuing political committee, or both, as defined in section 3 of  
17 P.L.1973, c.83 (C.19:44A-3), established by the employees' labor  
18 union for the purpose of making contributions to aid or promote  
19 the nomination, election or defeat of any candidate for a public  
20 office of the State or of a county, municipality or school district  
21 or the passage or defeat of any public question <sup>1</sup>, subject to the  
22 conditions specified in section 2 of P.L. , c. (C. ) (now  
23 pending before the Legislature as this bill)<sup>1</sup>.

24 (9) Contributions authorized in writing by employees to any  
25 political committee or continuing political committee, other than  
26 a committee provided for in paragraph (8) of this subsection, for  
27 the purpose of making contributions to aid or promote the  
28 nomination, election or defeat of any candidate for a public  
29 office of the State or of a county, municipality or school district  
30 or the passage or defeat of any public question <sup>1</sup>, subject to the  
31 conditions specified in section 2 of P.L. , c. (C. ) (now  
32 pending before the Legislature as this bill)<sup>1</sup> ; in making a payroll  
33 deduction pursuant to this paragraph the administrative expenses  
34 incurred by the employer shall be borne by such committee, at  
35 the option of the employer.

36 (10) Such other contributions, deductions and payments as the  
37 Commissioner of Labor may authorize by regulation as proper and  
38 in conformity with the intent and purpose of this act, if such  
39 deductions are approved by the employer.

40 (cf: P.L.1983, c.445, s.3)

41 12. (New section) In the case of contributions withheld or  
42 diverted pursuant to paragraph (8) or (9) of subsection b. of  
43 section 4 of P.L.1965, c.173 (C.34:11-4.4), the contribution shall  
44 be withheld or diverted only after compliance with the following  
45 conditions:

46 a. The payroll deduction authorization must be signed by the  
47 employee and contain the following explanatory statement:

48 I recognize that my/any contribution through payroll deduction  
49 is completely voluntary and in compliance with State law. It

1 shall be unlawful for any person soliciting an employee for  
2 contribution to such a fund to fail to inform such employee of his  
3 or her right to refuse to contribute without reprisal.

4 Any questions relative to compliance with election law may be  
5 directed to the Election Law Enforcement Commission, 28 West  
6 State Street, Trenton, New Jersey 08625, (609) 292-8700.

7 b. Any political action committee or continuing political  
8 committee which elects to solicit employees under the provisions  
9 of section 4 of P.L.1965, c.173 (C.34:11-4.4) shall file with the  
10 Election Law Enforcement Commission a statement of  
11 registration which identifies the title of the committee and the  
12 general category of entity or entities, including, but not limited  
13 to, business organizations, labor organizations professional or  
14 trade associations, candidates for or holders of public offices,  
15 political parties, ideological groups, or civic associations, the  
16 interests of which are shared by the leadership, members or  
17 financial supporters of the committee.

18 The statement of registration shall include: (1) the names and  
19 mailing addresses of the persons having control over the  
20 management of the affairs of the committee; (2) in the case of  
21 any person identified under paragraph (1) of this subsection b.  
22 who is an individual, the occupation of that individual, and the  
23 name and mailing address of the individual's employer, or, in the  
24 case of any such entity which is a corporation, partnership,  
25 unincorporated association or other organization, the name and  
26 mailing address of the organization; and (3) an explanatory  
27 statement as to the process utilized for the selection of  
28 recipients of funds raised by committee.

29 c. The political action committee or continuing political  
30 committee shall provide space on the payroll deduction  
31 authorization document to allow the employee to direct his or her  
32 contributions to specific candidates.

33 d. No employee may elect to contribute more than \$5 per  
34 week by means of payroll deduction. No employee may have  
35 wages withheld or diverted for more than one political action  
36 committee or continuing political committee.

37 e. No solicitation shall be made for employee contributions on  
38 the job or at the workplace.

39 f. Any political action committee or continuing political  
40 committee which elects to solicit employees under the provisions  
41 of this act shall annually provide each employee participant with  
42 a financial statement indicating disbursement of funds including  
43 administrative charges.<sup>1</sup>

44 <sup>1</sup>[2.] 3.<sup>1</sup> This act shall take effect immediately.

45  
46  
47 LABOR

48  
49 Permits payroll deductions for contributions to PAC's.

SENATE, No. 895

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator COWAN

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8 4. No employer may withhold or divert any portion of an  
9 employee's wages unless:

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11 Jersey or United States law; or

12 b. The amounts withheld or diverted are for:

13 (1) Contributions authorized either in writing by employees, or  
14 under a collective bargaining agreement, to employee welfare,  
15 insurance, hospitalization, medical or surgical or both, pension,  
16 retirement, and profit-sharing plans, and to plans establishing  
17 individual retirement annuities on a group or individual basis, as  
18 defined by section 408 (b) of the federal Internal Revenue Code  
19 of 1954 as amended (26 U.S.C.§408(b)), or individual retirement  
20 accounts at any State or federally chartered bank, savings bank,  
21 or savings and loan association, as defined by section 408 (a) of  
22 the federal Internal Revenue Code of 1954, as amended (26  
23 U.S.C.§408(a)), for the employee, his spouse or both.

24 (2) Contributions authorized either in writing by employees, or  
25 under a collective bargaining agreement, for payment into  
26 company-operated thrift plans; or security option or security  
27 purchase plans to buy securities of the employing corporation, an  
28 affiliated corporation, or other corporations at market price or  
29 less, provided such securities are listed on a stock exchange or  
30 are marketable over the counter.

31 (3) Payments authorized by employees for payment into  
32 employee personal savings accounts, such as payments to a credit  
33 union, savings fund society, savings and loan or building and loan  
34 association; and payments to banks for Christmas, vacation, or  
35 other savings funds; provided all such deductions are approved by  
36 the employer.

37 (4) Payments for company products purchased in accordance  
38 with a periodic payment schedule contained in the original  
39 purchase agreement; payments for employer loans to employees.

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above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 in accordance with a periodic payment schedule contained in the  
2 original loan agreement; payments for safety equipment;  
3 payments for the purchase of United States Government bonds;  
4 and payments to correct payroll errors; provided all such  
5 deductions are approved by the employer.

6 (5) Contributions authorized by employees for organized and  
7 generally recognized charities; provided the deductions for such  
8 contributions are approved by the employer.

9 (6) Payments authorized by employees or their collective  
10 bargaining agents for the rental of work clothing or uniforms or  
11 for the laundering or dry cleaning of work clothing or uniforms;  
12 provided the deductions for such payments are approved by the  
13 employer.

14 (7) Labor organization dues and initiation fees, and such other  
15 labor organization charges permitted by law.

16 (8) Contributions authorized in writing by employees, pursuant  
17 to a collective bargaining agreement, to a political committee,  
18 continuing political committee, or both, as defined in section 3 of  
19 P.L.1973, c.83 (C.19:44A-3), established by the employees' labor  
20 union for the purpose of making contributions to aid or promote  
21 the nomination, election or defeat of any candidate for a public  
22 office of the State or of a county, municipality or school district  
23 or the passage or defeat of any public question.

24 (9) Contributions authorized in writing by employees to any  
25 political committee or continuing political committee, other than  
26 a committee provided for in paragraph (8) of this subsection, for  
27 the purpose of making contributions to aid or promote the  
28 nomination, election or defeat of any candidate for a public  
29 office of the State or of a county, municipality or school district  
30 or the passage or defeat of any public question; in making a  
31 payroll deduction pursuant to this paragraph the administrative  
32 expenses incurred by the employer shall be borne by such  
33 committee, at the option of the employer.

34 (10) Such other contributions, deductions and payments as the  
35 Commissioner of Labor may authorize by regulation as proper and  
36 in conformity with the intent and purpose of this act, if such  
37 deductions are approved by the employer.

38 (cf: P.L.1983, c.445, s.3)

39 2. This act shall take effect immediately.

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41  
42 LABOR

43  
44 Permits payroll deductions for contributions to PAC's.

SENATE, No. 895

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator COWAN

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17 individual retirement annuities on a group or individual basis, as  
18 defined by section 408 (b) of the federal Internal Revenue Code  
19 of 1954 as amended (26 U.S.C. § 408 (b)), or individual retirement  
20 accounts at any State or federally chartered bank, savings bank,  
21 or savings and loan association, as defined by section 408 (a) of  
22 the federal Internal Revenue Code of 1954, as amended (26  
23 U.S.C. § 408 (a)), for the employee, ~~his spouse~~ or both.

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25 under a collective bargaining agreement, for payment into  
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27 purchase plans to buy securities of the employing corporation, an  
28 affiliated corporation, or other corporations at market price or  
29 less, provided such securities are listed on a stock exchange or  
30 are marketable over the counter.

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32 employee personal savings accounts, such as payments to a credit  
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35 other savings funds; provided all such deductions are approved by  
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1 purchase agreement; payments for employer loans to employees,  
2 in accordance with a periodic payment schedule contained in the  
3 original loan agreement; payments for safety equipment;  
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5 and payments to correct payroll errors; provided all such  
6 deductions are approved by the employer.

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8 generally recognized charities; provided the deductions for such  
9 contributions are approved by the employer.

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11 bargaining agents for the rental of work clothing or uniforms or  
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14 employer.

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16 labor organization charges permitted by law.

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21 union for the purpose of making contributions to aid or promote  
22 the nomination, election or defeat of any candidate for a public  
23 office of the State or of a county, municipality or school district  
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25 (9) Contributions authorized in writing by employees to any  
26 political committee or continuing political committee, other than  
27 a committee provided for in paragraph (8) of this subsection, for  
28 the purpose of making contributions to aid or promote the  
29 nomination, election or defeat of any candidate for a public  
30 office of the State or of a county, municipality or school district  
31 or the passage or defeat of any public question; in making a  
32 payroll deduction pursuant to this paragraph the administrative  
33 expenses incurred by the employer shall be borne by such  
34 committee, at the option of the employer.

35 [(8)] (10) Such other contributions, deductions and payments as  
36 the Commissioner of Labor may authorize by regulation as proper  
37 and in conformity with the intent and purpose of this act, if such  
38 deductions are approved by the employer.

39 (cf: P.L.1983, c.445, s.3)

40 2. This act shall take effect immediately.

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SPONSOR'S STATEMENT

This bill amends the law relating to the payment of wages to permit an employer to withhold a portion of an employee's wages so that the employee may contribute to his labor organization's political action committee or to any other political action committee designated by the employee. In turn, the political

1 action committee may contribute this money to candidates in  
2 State or local elections or use it to promote the passage or defeat  
3 of public questions in State or local elections. The withholding  
4 permitted by this bill may only be done with the written  
5 authorization of the employee.

6 The bill: (1) requires that authorization for the withholding of  
7 contributions for union-based PACs is to be subject to collective  
8 bargaining; and (2) provides that the administrative expenses  
9 incurred by an employer in connection with the withholding of  
10 contributions for non-union-based PACs are to be borne by the  
11 recipient PAC, at the employer's option.

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#### LABOR

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Permits payroll deductions for contributions to PAC's.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 895

STATE OF NEW JERSEY

DATED: October 15, 1990

The Senate Labor, Industry and Professions Committee reports favorably Senate, No. 895.

This bill amends the law which specifies the lawful withholdings an employer may make from an employee's wages to permit an employer to withhold a portion of an employee's wages so that the employee may contribute to the employee's labor union's political action committee or to any other political action committee designated by the employee. In turn the political action committee may use the contributions to aid or promote the nomination, election or defeat of any candidate for a public office of the State or a county, municipality or school district or the passage or defeat of any public question. The withholding permitted by this bill may only be done with the written authorization of the employee.

The authorization for the withholding of contributions for political action committees of labor unions must be pursuant to collective bargaining agreements. This means that the administrative expenses incurred by employers for withholding these contributions would be subject to collective bargaining. The administrative expenses incurred by employers for withholding contributions for political action committees which are not sponsored by labor unions may be borne, at the option of the employer, by the employer or the political action committee.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

[FIRST REPRINT]

SENATE, No. 895

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senators COWAN, FOY, Assemblymen PATERO  
and GILL

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2 committees and amending 1and supplementing<sup>1</sup> P.L.1965,  
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26 or under a collective bargaining agreement, for payment into  
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<sup>1</sup> Senate amendments adopted in accordance with Governor's  
recommendations June 13, 1991.

1 (4) Payments for company products purchased in accordance  
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3 purchase agreement; payments for employer loans to employees,  
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5 original loan agreement; payments for safety equipment;  
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31 a committee provided for in paragraph (8) of this subsection, for  
32 the purpose of making contributions to aid or promote the  
33 nomination, election or defeat of any candidate for a public  
34 office of the State or of a county, municipality or school district  
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36 conditions specified in section 2 of P.L. , c. (C. ) (now  
37 pending before the Legislature as this bill)<sup>1</sup> ; in making a payroll  
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39 incurred by the employer shall be borne by such committee, at  
40 the option of the employer.

41 (10) Such other contributions, deductions and payments as the  
42 Commissioner of Labor may authorize by regulation as proper and  
43 in conformity with the intent and purpose of this act, if such  
44 deductions are approved by the employer.

45 (cf: P.L.1983, c.445, s.3)

46 <sup>12</sup>. (New section) In the case of contributions withheld or  
47 diverted pursuant to paragraph (8) or (9) of subsection b. of  
48 section 4 of P.L.1965, c.173 (C.34:11-4.4), the contribution shall  
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1 conditions:

2 a. The payroll deduction authorization must be signed by the  
3 employee and contain the following explanatory statement:

4 I recognize that my any contribution through payroll deduction  
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7 contribution to such a fund to fail to inform such employee of his  
8 or her right to refuse to contribute without reprisal.

9 Any questions relative to compliance with election law may be  
10 directed to the Election Law Enforcement Commission, 28 West  
11 State Street, Trenton, New Jersey 08625, (609) 292-8700.

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21 interests of which are shared by the leadership, members or  
22 financial supporters of the committee.

23 The statement of registration shall include: (1) the names and  
24 mailing addresses of the persons having control over the  
25 management of the affairs of the committee; (2) in the case of  
26 any person identified under paragraph (1) of this subsection b.  
27 who is an individual, the occupation of that individual, and the  
28 name and mailing address of the individual's employer, or, in the  
29 case of any such entity which is a corporation, partnership,  
30 unincorporated association or other organization, the name and  
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42 e. No solicitation shall be made for employee contributions on  
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44 f. Any political action committee or continuing political  
45 committee which elects to solicit employees under the provisions  
46 of this act shall annually provide each employee participant with  
47 a financial statement indicating disbursement of funds including  
48 administrative charges.<sup>1</sup>

49 <sup>1</sup>[2.] 3.<sup>1</sup> This act shall take effect immediately.

S895 [1R]

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LABOR

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Permits payroll deductions for contributions to PAC's.



# OFFICE OF THE GOVERNOR

## NEWS RELEASE

**CN-001**  
**Contact:** EMMA BYRNE  
NANCY KEARNEY  
609-292-8956

**TRENTON, N.J. 08625**  
**Release:** WEDNESDAY  
MAY 8, 1991

### GOVERNOR JIM FLORIO PROPOSES PAC LEGISLATION REFORMS

#### Returns Conditional Veto to Legislature

Governor Jim Florio today proposed five new initiatives designed to protect employees from undue pressure and provide them with more information about contributions made from their corporate political action committees.

"Employees should be able to have all the information they need when it comes to making decisions on contributing to political campaigns," said the Governor.

"Love may be blind," he said, "but deciding to support candidates or causes needn't be."

The Governor said that while much more needs to be done, these recommendations are an important first step in meaningful campaign finance reform. "Accountability and disclosure are two key components in any reform effort," he said, "both for the employee making a contribution and for the public in general."

The amendments recommended by the Governor in a conditional veto message he submitted to the Legislature would:

- \* prohibit solicitation of employees in the workplace
- \* limit weekly payroll deductions to \$5.00
- \* compel PAC's to file statements identifying the individuals that control the committee and to set forth the the process that is utilized for distribution of funds
- \* permit employees to direct their contributions to a specific candidate
- \* compel PAC's to disclose to contributors the manner in which funds raised are spent in an annual financial statement

The Governor conditionally vetoed Senate Bill 895 which permits payroll dedications for PAC contributions. The sponsors of the bill are Senator Thomas Cowan (D-Hudson) and Assemblymen Joseph Paterno (D-Somerset) and Louis Gill (D-Passaic)

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STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

May 9, 1991

Senate Bill No. 895

To the Senate:

Pursuant to Article V, Section I, Paragraph 14, of the New Jersey Constitution, I am returning Senate Bill No. 895 with my objections for reconsideration.

This bill would permit an employer to withhold a portion of an employee's wages so that the employee may voluntarily contribute to political action committees or continuing political committees.

Given the absence of comprehensive statutory provisions governing the administration of political action committees and continuing political committees, I cannot endorse this legislation in its present form.

The amendments I propose are aimed at providing employees and the public with information concerning the administration and purpose of political action committees or continuing political committees that elect to solicit employee contributions under the provisions of this Act. With this information, an employee can make an informed decision with respect to participation in a payroll deduction plan and the public will gain greater insight into the significant role of these committees in the political process.

The amendments will prohibit on-the-job solicitation of employees; limit weekly payroll deductions to \$5.00 per week per employee; compel political action committees or continuing political committees to file statements that identify the individuals who control the committees; require that political action committees or continuing political committees provide employee participants with an explanatory statement as to the process utilized by the committees in the selection of recipients of funds raised by the committees; permit employees to direct their contributions to a specific candidate; and, compel the participating committees to provide participants with an annual financial statement.

I believe that these amendments permit an effective means for individuals to participate in the electoral process through their voluntary contributions while providing significant disclosure of the management and political objectives which the committees have been organized to advance.

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EXECUTIVE DEPARTMENT

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Therefore, I herewith return Senate Bill No. 895 and recommend that it be amended as follows:

Page 1, Title, Line 2:

After "amending" insert "supplementing"

Page 2, Section b(8), Line 23:

After "question" insert "subject to conditions specified in Section 2 of this amendatory and supplementary Act, P.L. \_\_\_ c. \_\_\_ (C. \_\_\_)."

Page 2, Section b(9), Line 30:

After "question" insert "subject to conditions specified in Section 2 of this amendatory and supplementary Act, P.L. \_\_\_ c. \_\_\_ (C. \_\_\_)."

Page 2, Section b, After Line 37:

Insert new Section 2 as follows:

In case of contributions withheld or diverted pursuant to paragraph 8 or 9 of subtitle b, the contribution shall be withheld or diverted only after compliance with the following conditions:

A. The payroll deduction authorization must be signed by the employee and contain the following explanatory statement:

I recognize that my/any contribution through payroll deduction is completely voluntary and in compliance with State law. It shall be unlawful for any person soliciting an employee for contribution to such a fund to fail to inform such employee of his or her right to refuse to contribute without reprisal.

Any questions relative to compliance with election law may be directed to the Election Law Enforcement Commission, 28 West State Street, Trenton, New Jersey 08625, (609) 292-8700.

B. Any political action committees or continuing political committees which elect to solicit employees under the provisions of this Act must file with the Election Law Enforcement Commission a statement of registration which identifies the title of such committees and the general category of entity or entities, including, but not limited to, business organizations, labor

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organizations, professional or trade associations, candidates for or holders of public offices, political parties, ideological groups, or civic associations, the interests of which are shared by the leadership, members or financial supporters of the committees.

The statement of registration must include: (1) the names and mailing addresses of the persons having control over the management of the affairs of the committees; (2) in the case of any person identified under subparagraph (1) who is an individual, the occupation of that individual, and the name and mailing address of the individual's employer, or, in the case of any such entity which is a corporation, partnership, unincorporated association, or other organization, the name and mailing address of the organization; and, (3) an explanatory statement as to the process utilized for the selection of recipients of funds raised by the committees.

C. The political action committee or continuing political committees must provide space on the payroll deduction authorization document to allow the employee to direct his or her contributions to specific candidates.

D. No employee may elect to contribute more than \$5.00 per week by means of payroll deduction. No employee may have wages withheld or diverted for more than one political action committee or continuing political committee.

E. No solicitation shall be made for employee contributions on the job or at the workplace.

F. Any political action committees or continuing political committees which elect to solicit employees under the provisions of this act must annually provide each employee participant with a financial statement indicating disbursement of funds including administrative charges.

Page 2, Section 2, Line 39:

Delete "2" insert "3"

Respectfully,

/s/ Jim Florio

GOVERNOR

[seal]

Attest:

/s/ Brian J. Kelly

Assistant Counsel to the Governor

**ADOPTED  
JUN 13 1991**

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

May 9, 1991

(CORRECTED COPY)

Senate Bill No. 895

To the Senate:

Pursuant to Article V, Section I, Paragraph 14, of the New Jersey Constitution, I am returning Senate Bill No. 895 with my objections for reconsideration.

This bill would permit an employer to withhold a portion of an employee's wages so that the employee may voluntarily contribute to political action committees or continuing political committees.

Given the absence of comprehensive statutory provisions governing the administration of political action committees and continuing political committees, I cannot endorse this legislation in its present form.

The amendments I propose are aimed at providing employees and the public with information concerning the administration and purpose of political action committees or continuing political committees that elect to solicit employee contributions under the provisions of this Act. With this information, an employee can make an informed decision with respect to participation in a payroll deduction plan and the public will gain greater insight into the significant role of these committees in the political process.

The amendments will prohibit on-the-job solicitation of employees; limit weekly payroll deductions to \$5.00 per week per employee; compel political action committees or continuing political committees to file statements that identify the individuals who control the committees; require that political action committees or continuing political committees provide employee participants with an explanatory statement as to the process utilized by the committees in the selection of recipients of funds raised by the committees; permit employees to direct their contributions to a specific candidate; and, compel the participating committees to provide participants with an annual financial statement.

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I believe that these amendments permit an effective means for individuals to participate in the electoral process through their voluntary contributions while providing significant disclosure of the management and political objectives which the committees have been organized to advance.

Therefore, I herewith return Senate Bill No. 895 and recommend that it be amended as follows:

Page 1, Title, Line 2:

After "amending" insert "and supplementing"

Page 2, Section b(8), Line 23:

After "question" insert ", subject to conditions specified in section 2 of P.L.\_\_\_\_, c.\_\_\_\_ (C.\_\_\_\_) (now pending before the Legislature as this bill)"

Page 2, Section b(9), Line 30:

After "question" insert ", subject to the conditions specified in section 2 of P.L.\_\_\_\_, c.\_\_\_\_ (C.\_\_\_\_) (now pending before the Legislature as this bill)"

Page 2, Section b, After Line 37:

Insert new Section 2 ~~as follows~~:

2. (New section) In the case of contributions withheld or diverted pursuant to paragraph (8) or (9) of subsection b. of section 4 of P.L.1965, c.173 (C.34:11-4.4), the contribution shall be withheld or diverted only after compliance with the following conditions:

a. The payroll deduction authorization must be signed by the employee and contain the following explanatory statement:

I recognize that my/any contribution through payroll deduction is completely voluntary and in compliance with State law. It shall be unlawful for any person soliciting an employee for contribution to such a fund to fail to inform such employee of his or her right to refuse to contribute without reprisal.

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EXECUTIVE DEPARTMENT

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Any questions relative to compliance with election law may be directed to the Election Law Enforcement Commission, 28 West State Street, Trenton, New Jersey 08625, (609) 292-8700.

b. Any political action committee or continuing political committee which elects to solicit employees under the provisions of section 4 of P.L.1965, c.173 (C.34:11-4.4) shall file with the Election Law Enforcement Commission a statement of registration which identifies the title of the committee and the general category of entity or entities, including, but not limited to, business organizations, labor organizations, professional or trade associations, candidates for or holders of public offices, political parties, ideological groups, or civic associations, the interests of which are shared by the leadership, members or financial supporters of the committee.

The statement of registration shall include: (1) the names and mailing addresses of the persons having control over the management of the affairs of the committee; (2) in the case of any person identified under paragraph (1) of ~~this~~ subsection b. who is an individual, the occupation of that individual, and the name and mailing address of the individual's employer, or, in the case of any such entity which is a corporation, partnership, unincorporated association, or other organization, the name and mailing address of the organization; and (3) an explanatory statement as to the process utilized for the selection of recipients of funds raised by the committee.

c. The political action committee or continuing political committees shall provide space on the payroll deduction authorization document to allow the employee to direct his or her contributions to specific candidates.

d. No employee may elect to contribute more than \$5 per week by means of payroll deduction. No employee may have wages withheld or diverted for more than one political action committee or continuing political committee.

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e. No solicitation shall be made for employee contributions on the job or at the workplace.

f. Any political action committee or continuing political committee which elects to solicit employees under the provisions of this act must annually provide each employee participant with a financial statement indicating disbursement of funds including administrative charges.

Page 2, Section 2, Line 39:

Delete "2." insert "3."

Respectfully,

/s/ Jim Florio

GOVERNOR

Attest:

/s/ Brian J. Kelly

Assistant Counsel to the Governor



# OFFICE OF THE GOVERNOR

## NEWS RELEASE

CN-001

Contact:

EMMA BYRNE  
NANCY KEARNEY  
609-292-8956

TRENTON, N.J. 08625

Release: WEDNESDAY  
JULY 3, 1991

### GOVERNOR FLORIO SIGNS PAC REFORM LAW Legislature Upholds Governor's Recommendations to Regulate PAC Activity

Governor Jim Florio today signed into law a bill which is designed to protect employees from undue pressure by their employers and provide them with more information about contributions made from their corporate political action committees.

The Governor said he was pleased the Legislature accepted his recommendations to make substantive changes in PAC fundraising. "The amendments I suggested will help tighten the rules that regulate PAC activity in this state. Employees deserve to know how and where their money is being spent and they deserve to be able to make direct choices about which campaigns they support. Governor Florio returned a conditional veto message to the Legislature in May of this year which would:

- . prohibit solicitation of employees in the workplace
- . limit weekly payroll deductions to \$5.00
- . compel PAC's to file statements identifying the individuals that control the committee and to set forth the process that is utilized for distribution of funds
- . permit employees to direct their contributions to a specific candidate
- . compel PAC's to disclose to contributors the manner in which funds raised are spent in an annual financial statement

The above changes were contained in a conditional veto message attached to Senate Bill 895 which permitted payroll deductions for PAC contributions. The Legislature concurred with the conditional veto message which therefore imposed a 10-day deadline of July 8, 1991 for the Governor to officially sign the bill.

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